

City Incentives

Business and Professional License Tax

This is based on gross receipts and will be reimbursed 100% for the first three years of eligibility and reimbursed 50% for the remaining two years.

Machinery and Tools Tax

Reimbursement of 100% of the amount paid for Machinery and Tools Tax during the first three years of eligibility and 50% of the tax paid during the remaining two years.

Sewer and Water Availability

Extended Payment of Sewer and Water Availability allows payment in four annual installments of 25% each.

Real Estate Tax Freeze

Five year exemption from additional real estate taxes resulting from rehabilitation of commercial or industrial real estate and a ten-year exemption for residential real estate for any property in the city that is at least 25 years old. The assessed value of the property must increase by more than 40% for residential structures and by more than 60% for commercial and industrial structures. This incentive is not limited to the Enterprise Zone area.

Loan Pool

Area local banks participate in the Enterprise Zone Loan Pool. The Loan Pool may be used for a variety of purposes, including the acquisition and/or rehabilitation of existing commercial and industrial buildings. The loan pool offers an interest rate of one half percent below the bank's individual prime. No points are charged for the loans. The minimum loan amount is \$15,000.

Downtown Façade Improvement Program

Ask about the availability of funds.



Zone 1 includes the Central Business District, Lower Basin, the Fifth Street Corridor, surrounding neighborhoods, as well as the land zoned Industrial between Carroll and Campbell Avenue.

Zone 2 known as Lynchpin Industrial Center, is located between Wiggington Road and Lakeside Drive on the City's western boundary.



For More Information Contact:

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Enterprise Zone Program

Lynchburg, VA



The City of Lynchburg, VA

*"Working Together To Serve
You Better"*

Virginia Enterprise Zone Program

State Incentives

General Income Tax Credit—This is a tax credit against a business's state tax liability in an amount up to 80% in year one and 60% in years two through ten. For businesses investing over \$15 million and creating fifty or more jobs, the amount of credit is negotiated. Businesses qualifying after July 1, 1997 must have 25% of their new jobs filled by low income individuals or zone residents. Businesses qualified prior to July 1, 1997 must continue to have 40% of their new jobs filled by low income individuals or zone residents. Existing zone-located or Virginia relocating businesses must increase FTEs by 10%.

Real Property Improvement Tax Credit
This is a tax credit of up to 30% of qualified building improvements with a maximum amount not to exceed \$125,000 within a five-year period. Qualified improvements for rehabilitation projects must be at least \$50,000

or be equal to the assessed value of the real property prior to the improvements being made, whichever is greater. Qualified improvements in new construction projects must be at least \$250,000. This credit is refundable to the extent that if the business state tax liability is less than the credit allocated, the remaining balance would be refunded. A business firm may qualify for more than one five-year real property improvement period, provided the business firm makes additional real property improvements in an enterprise zone.



Investment Tax Credit—This is a tax credit against a business's state tax liability for businesses investing over \$100 million and creating two-hundred jobs. The percentage amount is negotiated for up to 5% of the investment. Any tax credit not usable for the taxable year generated may be carried forward until the full amount of the credit has been utilized. Business firms qualifying for the investment tax credit qualify for this incentive *in lieu of* the real property improvement tax credit.

Job Grants—These are grants for new permanent full-time positions created by businesses above a 10% increase in amounts equal to \$1,000 per position filled by zone resident and \$500 per position filled by non zone resident. The maximum amount of grants to a single firm is \$100,000 per year for three consecutive calendar years commencing with the first year. Businesses may qualify for more than one three-year job grant period provided that business creates additional permanent full-time positions.

Note: All state enterprise zone incentives are subject to annual statewide spending caps, as well as eligibility requirements.